



July 17, 2013

Item No. 11

**AUTHORIZATION TO EXECUTE AN AGREEMENT TO ENTER INTO A HOUSING ASSISTANCE
PAYMENTS CONTRACT FOR LAKE STREET STUDIOS**

To the Honorable Board of Commissioners:

RECOMMENDATION

It is recommended that the Board of Commissioners approve the attached Resolution authorizing the Chief Executive Officer or his designee to 1) execute an Agreement to enter into a Housing Assistance Payments Contract for Lake Street Studios; and 2) execute all other documents as may be necessary or appropriate to implement the foregoing.

The Chief Housing Officer and the Office of the General Counsel have completed all necessary due diligence to support the submission of this initiative and recommend the approval of this item accordingly.

CORPORATE GOAL

The purpose of this contract is to create more affordable housing opportunities for families in healthy and revitalizing neighborhoods by providing Property Rental Assistance (PRA) for sixty-one (61) apartments detailed below.

FUNDING: Housing Choice Voucher Program

PROPERTY SUMMARY

Development Name	Community / Ward / Alderman	Developer / Owner	Target Population	PRA Units	Total Units
Lake Street Studios	Near West Side; 27 th Ward; Walter Burnett	Interfaith Housing Development Corp,	Supportive Housing for Homeless Individuals	61	61

CONTRACT SUMMARY

Development Name	Funding	Contract Term	Contract Type	Initial Max Contract	Total Max Contract	Application Received
Lake Street Studios	HCV Program	30 Years	AHAP/HAP Contract	\$603900/year	\$18,117,000 (30 years)	November, 2011

BACKGROUND

Waiting List / Occupancy Process

It is the intent of the owner/manager of this property to lease all of the units to eligible Homeless families from CHA's waiting lists. CHA will make referrals from its Public Housing and PBV waiting lists as well as families whose right of return under the Relocation Rights Contract has not been satisfied. The CHA waiting list of applicants will be exhausted prior to utilization of a site based waiting list. Seven units will be set-aside for people on the State's Permanent Supportive Housing waiting list. Referrals will be cross-referenced with CHA's lists and preference given to those applicants that are on both.

Lake Street Studios

Proposed Development

- New Construction of a 9-story elevator building located at 727 W. Lake Street in the Near West Side community area containing a total of 61 studio units. 100% of the units will be PRA.
- Building amenities include a library, community room, a green roof and rooftop garden for the residents use, laundry facilities, on-site supportive services and property maintenance offices.

Developer Background

- IHDC is a non-profit development corporation, established in 1992, to create housing and provide supportive services for very low-income people who are homeless and at risk of becoming homeless. Since its inception, IHDC has created more than 600 units of permanent supportive housing in 13 developments in Chicago.
- Supportive Services for Lake Street Studios will be provided by Interfaith House, which was created by IHDC in 1994 to address the homeless crisis by providing case management, support services, behavioral health assistance, mental therapy sessions and employment counseling and job search assistance. Interfaith House has been operating independently of IHDC since 2009.
- The units will be managed by Affordable Property Management Specialists (APM) which has been in business since 2006 for the purpose of managing affordable low-income housing. APM currently manages four LIHTC projects consisting of 10 buildings totaling 275 units in the City.

Financing

- City of Chicago HOME Loan: \$1.9M; TIF Funds: \$3.2M
- LIHTC Equity: \$11.3M
- IHDA Trust Fund: \$750,000
- FHLB: \$549,000
- DCEO Grant: \$145,346

Conclusion

The Board action recommended in this item complies in all material respects with all applicable Chicago Housing Authority board policies and all applicable federal (HUD) procurement laws.

The Chief Housing Officer concurs with the recommendation to execute an Agreement to enter into a Housing Assistance Payments contract for Lake Street Studios.

The CEO/President recommends the approval to execute an Agreement to enter into a Housing Assistance Payments contract for Lake Street Studios.

RESOLUTION 2013-CHA-58

WHEREAS, the Board of Commissioners of the Chicago Housing Authority has reviewed the Board letter dated July 17, 2013 requesting authorization to execute an Agreement to Enter into a Housing Assistance Payments Contract for Lake Street Studios;

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY:

THAT, the Board of Commissioners authorizes the Chief Executive Officer or his designee to 1) execute an Agreement to enter into a Housing Assistance Payments Contract for Lake Street Studios; and 2) execute all other documents as may be necessary or appropriate to implement the foregoing.



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